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slim, graceful figure seemed to tremble and his hands were nervously strained together, as he tried to make us realize how vast and awful a revolution it had been. And then from the spacious hall and pleasant college garden his thoughts go to a dingy room in a miserable tavern, where, amid smoke and the clatter of alepots, the sensitive and overwrought scholar presented himself for the suffrages of his fellow-citizens, and told them how much might be done even with our existing social machinery, if those who guided it did but understand of what it was capable.

W. J. ASHLEY.

*The Consumption of Wealth.* By SIMON N. PATTEN, Ph.D., Professor of Political Economy, Wharton School of Finance. Publications of the University of Pennsylvania, Political Economy and Public Law Series, No. 4. Philadelphia, 1889.

The underlying idea of this essay is an interesting one. It is this. As nations advance, their habits of consumption change. What was an advantage in the struggle for existence at one period becomes a disadvantage at another. The nation which can best adapt its habits to its environment is most likely to prevail. True economy in consumption marks a decisive superiority on the part of the race which practises it. Professor Patten attempts to show in outline the effect of this process of survival upon economic conditions. The interest of the problem renders the inadequacy of its treatment quite disappointing. The idea is not well carried out. The author makes grave mistakes in deduction, and highly questionable statements of fact.

To study the effect of changes of consumption, we must first know how equilibrium is secured under given conditions of consumption. The statical solution must precede the dynamical. This part of the work was brilliantly performed by Jevons in his *Theory of Political Economy*. The essential correctness of Jevons' solution has never been challenged. The criticisms of the Austrian writers deal with points of detail which do not materially affect the purpose in hand. Professor Patten recognizes the need of a preliminary analysis of this kind. But instead of using that of Jevons he develops one of his own. He probably thinks it an advantage to avoid the use of the differential calculus. But in so doing he falls into serious errors which render his whole treatment of the subject incorrect.

He assumes that men will always seek to get the best *ratio* of pleasure to pain. This is not true. It would be nearer the truth to say that they will seek to get the greatest *excess* of pleasure over pain. Suppose that in a given time one course of action involves two units of pain and four of pleasure ; while another involves five units of pain and eight

of pleasure. Professor Patten says that it is self-evident that a man will choose the former. It is not. A large part of the progress of mankind is due to the fact that a great many men will choose the other alternative, and make great sacrifices for the sake of great results.

Professor Patten's fundamental proposition, so far from being self-evident or universal, is less likely to be true the better the man or the race concerned. It is not the best railroad which has the lowest percentage of operating expenses. A road which makes \$500,000 and spends \$250,000 does not do so well, either for itself or for the public, as one which makes \$1,000,000 and spends \$700,000. It is the excess of performance over cost, not the ratio between the two, which determines the merit. It is of course extremely well if both kinds of economy can be combined in the same man or the same race; but it does not generally occur. "Penny-wise, pound-foolish," is a proverb which applies to races as well as individuals. Those who contend most for the smaller economy of consumption usually undervalue the larger economy arising from increased efficiency.

The essay before us furnishes a curious example of this. The author believes that the tendencies of improved production are adverse to the workingman, and that competition favors the cheaper man. "The facts upon which this opinion is based," he says, "have been frequently presented with the greatest possible clearness." He does not even deign to give references. If he had once tried to do so, he must have seen the necessity of modifying his statement. He cannot be so little acquainted with modern economic discussion as to have read only one side of this question. It must have been carelessness which led him to treat it as settled, and make the supposed settlement the basis for subsequent reasoning. There may be room for doubt as to which side is right; but there is no room whatever for doubt that there are two sides to the matter.

But the radical fault of the work lies far deeper than any errors of detail. The author tries to apply a highly abstract method without the necessary mathematical training. If a man should undertake to make new discoveries in theoretical physics without the aid of the differential calculus, he would be laughed at. But the relations of pleasure and pain are vastly more complex than those of ether or electricity. The results cannot be so accurately measured; but this only furnishes an added reason for care in the deduction. In other fields of economic inquiry a man may do well with simple arithmetic; but in that chosen by Professor Patten, he must be fully alive to the distinctions between ratio and difference, between intensity and quantity, between rates of variation and amounts of variation. He must see that a relation which subsists between differentials does not necessarily hold good between their integrals — with the total integral almost never, with the integral

between time limits only under special restrictions. A neglect of these matters will cause an investigator to treat two wholly distinct propositions as equivalent. A marked instance of this is seen on page 19, where the author deduces his proposition about ratios of pleasure and pain from a substantially true proposition which seems at first sight to warrant the inference but which really has absolutely nothing to do with the case. A part of the danger may be avoided by great care in verification ; but as a general rule the calculus of pleasure and pain is a hazardous field even for the trained mathematician, and an unending series of pitfalls for everybody else.

ARTHUR T. HADLEY.

*An Investigation into the Causes of the Great Fall in Prices, which took place coincidentally with the Demonetization of Silver by Germany.* By ARTHUR CRUMP. London, Longmans, Green & Co., 1889. — 184 pp., appendix, 14 pp.

By entitling this performance an "investigation" the author sets quite too high a value upon his work. Not only is it innocent of the scientific quality, but it can lay claim to being little more than a compilation, hastily put together, of the views of only a few of the writers on the subject of gold and prices. The author quotes Mill abundantly, as if that writer were unknown to the majority of his readers, and takes no little pleasure in discovering that Mill always agrees with him. The book being made up on the scrap-book plan, we must accept the propriety of taking up twenty-five pages with extracts from Mr. Wells' articles and inserting thirty pages from trade circulars relating solely to tea, as well as long articles from the columns of the *Pall Mall Gazette*. The absence of any mention of Soetbeer and Nasse probably shows the writer's linguistic limitations.

The work does not admit of serious criticism as to method. The author is naïvely *a priori*, if anything. He states (page 9) what the conclusion of the "investigation" ought to be ; refers to the vagueness of arguments for opposing conclusions ; and holds as follows : "This is our view, in fact, of the lines upon which an investigation should be undertaken, and upon which we think it can be satisfactorily carried through."

The book is probably the work of some man of practical experience, having no statistical standards, who wishes to convince the world of the truth as he sees it. In this laudable effort, he brings forth nothing previously unknown. His omission of German authorities causes him to miss the strong points to be urged in his own support. He calls attention, however, to a refutation of Mr. Goschen's theory (that prices fell owing to a scarcity of gold) which has resulted from the mere lapse of